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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

13 In re:
 14 USA COMMERCIAL MORTGAGE COMPANY,
 15 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

16 In re:
 17 USA CAPITAL REALTY ADVISORS, LLC,
 18 Debtor.

Chapter 11

19 In re:
 20 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 21 Debtor.

**Jointly Administered Under
Case No. BK-S-06-10725 LBR**

22 In re:
 23 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 24 Debtor.

**MONTHLY OPERATING REPORT FOR
JULY 2006 (AFFECTS USA COMMERCIAL
MORTGAGE COMPANY)**

25 Affects:
 26 All Debtors
 USA Commercial Mortgage Company
 27 USA Capital Realty Advisors, LLC
 USA Capital Diversified Trust Deed Fund, LLC
 USA Capital First Trust Deed Fund, LLC
 USA Securities, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: USA Commercial Mortgage Company

Case No.

06-10725-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 07/31/06PETITION DATE: 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor)
Dollars reported in \$1

2. **Asset and Liability Structure**

- a. Current Assets
- b. Total Assets
- c. Current Liabilities
- d. Total Liabilities

	<u>End of Current Month</u>	<u>End of Prior Month</u>	As of April 13, 2006
	\$59,582,869	\$58,021,056	
a.	\$118,630,136	\$117,092,458	
b.	\$18,951,237	\$13,790,059	
c.	\$80,742,367	\$75,561,510	
d.			\$61,634,630

3. **Statement of Cash Receipts & Disbursements for Month**

- a. Total Receipts
- b. Total Disbursements
- c. Excess (Deficiency) of Receipts Over Disbursements (a - b)
- d. Cash Balance Beginning of Month
- e. Cash Balance End of Month (c + d)

	<u>Current Month</u>	<u>Prior Month</u>	Cumulative (Case to Date)
	\$269,046	\$481,799	\$2,055,897
a.	\$324,115	\$681,694	\$1,509,303
b.	(\$55,069)	(\$199,895)	\$546,594
c.	\$1,177,895	\$1,377,790	\$576,231
d.	\$1,122,826	\$1,177,895	\$1,122,826

4. **Profit/(Loss) from the Statement of Operations**

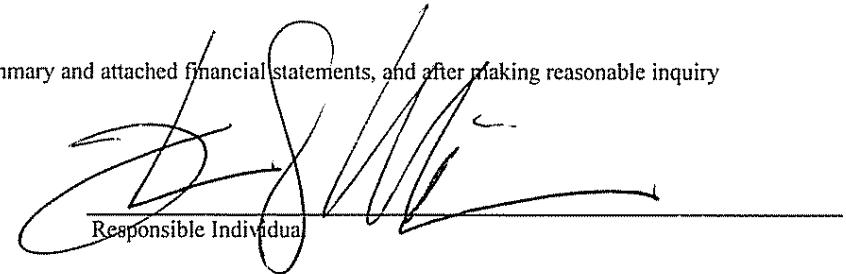
5. Account Receivables (Pre and Post Petition)
6. Post-Petition Liabilities
7. Past Due Post-Petition Account Payables (over 30 days)

	<u>Current Month</u>	<u>Prior Month</u>	Cumulative (Case to Date)
	(\$3,643,179)	\$565,186	(\$1,120,124)
5.	\$18,795,538	\$17,179,939	
6.	\$18,951,237	\$13,790,059	
7.	\$450,549	\$231,524	

At the end of this reporting month:

8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes No
 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes No
 10. If the answer is yes to 8 or 9, were all such payments approved by the court? Yes No
 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) Yes No
 12. Is the estate insured for replacement cost of assets and for general liability? Yes No
 13. Are a plan and disclosure statement on file? Yes No
 14. Was there any post-petition borrowing during this reporting period? Yes No
 15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees ; Check if filing is current for: Post-petition tax reporting and tax returns:
 (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct

Date: 8-20-06


Responsible Individual

STATEMENT OF OPERATIONS
(General Business Case)
For the Month Ended 07/31/06

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 07/31/06

Assets

		<u>From Schedules</u>	<u>Market Value¹</u>
Current Assets			
1 Cash and cash equivalents - unrestricted			<u>\$1,122,826</u>
2 Cash and cash equivalents - restricted			
3 Accounts receivable (net)	A		<u>\$18,795,538</u>
4 Inventory	B		<u>\$0</u>
5 Prepaid expenses			<u>\$33,344</u>
6 Professional retainers			
7 Other: Borrowers interest advances			<u>\$27,414,860</u>
8 Funds held in Collection account			<u>\$12,216,301</u>
9 Total Current Assets			<u>\$59,582,869</u>
Property and Equipment (Market Value)			
10 Real property	C		<u>\$0</u>
11 Machinery and equipment	D		<u>\$0</u>
12 Furniture and fixtures	D		<u>\$156,262</u>
13 Office equipment	D		<u>\$344,975</u>
14 Leasehold improvements	D		<u>\$62,180</u>
15 Vehicles	D		<u>\$0</u>
16 Other:	D		
17 _____	D		
18 _____	D		
19 _____	D		
20 _____	D		
21 Total Property and Equipment			<u>\$563,417</u>
Other Assets			
22 Loans to shareholders			
23 Loans to affiliates			
24 Related Party loan			<u>\$58,374,919</u>
25 Retirement Plan intangible			<u>\$103,416</u>
26 Deposits			<u>\$5,515</u>
28 Total Other Assets			<u>\$58,483,850</u>
29 Total Assets			<u>\$118,630,136</u>

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules**Post-Petition****Current Liabilities**

30	Salaries and wages	\$45,542
31	Payroll taxes	
32	Real and personal property taxes	
33	Income taxes	
34	Sales taxes	
35	Notes payable (short term)	
36	Accounts payable (trade)	A \$483,991
37	Real property lease arrearage	
38	Personal property lease arrearage	
39	Accrued professional fees	
40	Current portion of long-term post-petition debt (due within 12 months)	
41	Other: Retirement plan	\$1,105,535
42	Other liabilities	\$3,600
43	Adjustment for Loan Servicing transactions	\$11,721,127
44	Total Current Liabilities	\$18,951,237

Long-Term Post-Petition Debt, Net of Current Portion

45	Total Post-Petition Liabilities	\$18,951,237
----	--	---------------------

Pre-Petition Liabilities (allowed amount)¹

47	Secured claims ¹	F \$0
48	Priority unsecured claims ¹	F \$169,742
49	General unsecured claims ¹	F \$61,621,388
50	Total Pre-Petition Liabilities	\$61,791,130
51	Total Liabilities	\$80,742,367

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing	\$38,932,893
53	Capital Stock	\$75,000
54	Additional paid-in capital	
55	Cumulative profit/(loss) since filing of case	(\$1,120,124)
56	Post-petition contributions/(distributions) or (draws)	
57	Market value adjustment	
59	Total Equity (Deficit)	\$37,887,769
60	Total Liabilities and Equity (Deficit)	\$118,630,136

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A
Accounts Receivable and (Net) Payable

Receivables and Payables Agings

0 -30 Days
 31-60 Days
 61-90 Days
 91+ Days
 Total accounts receivable/payable
 Allowance for doubtful accounts
 Accounts receivable (net)

<u>Accounts Receivable</u> <u>[Pre and Post Petition]</u>	<u>Accounts Payable</u> <u>[Post Petition]</u>	<u>Past Due</u> <u>Post Petition Debt</u>
	\$33,442	
	\$336,965	
	\$30,168	
	\$83,416	
\$0	\$483,991	
	\$0	

Schedule B
Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)

	<u>Inventory(ies)</u> <u>Balance at</u> <u>End of Month</u>
Retail/Restaurants - Product for resale	_____
Distribution - Products for resale	_____
Manufacturer - Raw Materials Work-in-progress Finished goods	_____
Other - Explain	_____
TOTAL	\$0

Cost of Goods Sold

	<u>Inventory Beginning of Month</u>
Add -	_____
Net purchase	_____
Direct labor	_____
Manufacturing overhead	_____
Freight in	_____
Other:	_____
Less -	_____
Inventory End of Month	_____
Shrinkage	_____
Personal Use	_____
Cost of Goods Sold	\$0

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
 Monthly _____
 Quarterly _____
 Semi-annually _____
 Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____
 LIFO cost _____
 Lower of cost or market _____
 Retail method _____
 Other _____
 Explain _____

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	\$0	\$0
Furniture & Fixtures -		
Total	\$0	\$0
Office Equipment -		
Total	\$0	\$0
Leasehold Improvements -		
Total	\$0	\$0
Vehicles -		
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UI)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed¹ Amount</u>	<u>Allowed² Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes	\$123,916	
Priority tax claims	\$45,826	
General unsecured claims	\$61,621,388	

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Bank of America	Bank of America	Citibank	
Account Type	Analyzed Checking	Analyzed Checking	Business Account	
Account No.	3755532383	3755532419	500078217	
Account Purpose	General	Payroll	Citibank Interest	Petty Cash
Balance, End of Month	\$1,114,128	\$7,503	\$895	\$300
Total Funds on Hand for all Accounts	\$1,122,826			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

NOTES:

- 1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified
- 2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 07/31/06**

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Receipts			
1 Rent/Leases Collected		\$141,205	\$1,445,874
2 Cash Received from Sales			\$71,960
3 Interest Received			
4 Borrowings			
5 Funds from Shareholders, Partners, or Other Insiders			\$5,000
6 Capital Contributions			
7 Management Fees from USA Capital Realty Advisors, LLC		\$124,630	\$444,533
8 Tax and Security Deposit Refund		\$3,211	\$5,698
9 Principal Received on Notes Receivable			\$82,832
10			
11			
12 Total Cash Receipts		\$269,046	\$2,055,897
Cash Disbursements			
13 Payments for Inventory		\$977	\$1,059
14 Selling			
15 Administrative		\$62,339	\$242,198
16 Capital Expenditures			
17 Principal Payments on Debt			\$150,645
18 Interest Paid		\$2,304	\$4,407
19 Rent/Lease:			
20 Personal Property		\$3,678	\$6,877
21 Real Property		\$51,269	\$184,550
22 Amount Paid to Owner(s)/Officer(s)			
23 Salaries			
24 Draws			
25 Commissions/Royalties			
26 Expense Reimbursements			
27 Other			
28 Salaries/Commissions (less employee withholding)		\$86,283	\$396,322
29 Management Fees			
30 Taxes:			
31 Employee Withholding		\$9,728	\$61,751
32 Employer Payroll Taxes		\$2,806	\$44,276
33 Real Property Taxes			
34 Other Taxes		\$5,055	\$5,055
35 Other Cash Outflows:			
36 Professional Fees Paid in Connection with Chapter 11 Case		\$94,676	\$407,163
37 U.S. Trustee Quarterly Fees		\$5,000	\$5,000
38 Total Cash Disbursements:		\$324,115	\$1,509,303
39 Net Increase (Decrease) in Cash		(\$55,069)	\$546,594
40 Cash Balance, Beginning of Period		\$1,177,895	\$576,231
41 Cash Balance, End of Period		\$1,122,826	\$1,122,826

STATEMENT OF CASH FLOWS
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents
 For the Month Ended 07/31/06

		<u>Actual</u>	<u>Cumulative</u>
		<u>Current Month</u>	<u>(Case to Date)</u>
	Cash Flows From Operating Activities		
1	Cash Received from Sales	\$141,205	\$1,445,874
2	Rent/Leases Collected		
3	Interest Received		\$71,960
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses	\$977	\$1,059
6	Cash Paid for Administrative Expenses	\$62,339	\$242,198
	Cash Paid for Rents/Leases:		
7	Personal Property	\$3,678	\$6,877
8	Real Property	\$51,269	\$184,550
9	Cash Paid for Interest	\$2,304	\$4,407
10	Cash Paid for Net Payroll and Benefits	\$86,283	\$396,322
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct		
16	Employer Payroll Tax	\$2,806	\$44,276
17	Employee Withholdings	\$9,728	\$61,751
18	Real Property Taxes		
19	Other Taxes	\$5,055	\$5,055
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC	(\$124,630)	(\$444,533)
22	Tax and Security Deposit Refund	(\$3,211)	(\$5,698)
23	Principal Received on Notes Receivable		(\$82,832)
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$44,607	\$1,104,402
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case	\$94,676	\$407,163
30	U S Trustee Quarterly Fees	\$5,000	\$5,000
31			
32	Net Cash Provided (Used) by Reorganization Items	(\$99,676)	(\$412,163)
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$55,069)	\$692,239
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		\$5,000
40	Capital Contributions		
41	Principal Payments		\$150,645
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	(\$145,645)
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$55,069)	\$546,594
45	Cash and Cash Equivalents at Beginning of Month	\$1,177,895	\$576,231
46	Cash and Cash Equivalents at End of Month	\$1,122,826	\$1,122,826

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 07/31/06

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1 Rent/Leases Collected			
2 Cash Received from Sales			
3 Interest Received		\$262,098	\$348,112
4 Borrowings			
5 Funds from Shareholders, Partners, or Other Insiders			
6 Capital Contributions			
7 Cash Received - See Attachment A		\$10,669,993	\$95,244,307
8			
9			
10			
11			
12 Total Cash Receipts		\$10,932,091	\$95,592,419
Cash Disbursements			
13 Payments for Inventory			
14 Selling			
15 Administrative			
16 Capital Expenditures			
17 Principal Payments on Debt			
18 Interest Paid			\$590
19 Rent/Lease:			
20 Personal Property			
20 Real Property			
21 Amount Paid to Owner(s)/Officer(s)			
21 Salaries			
22 Draws			
23 Commissions/Royalties			
24 Expense Reimbursements			
25 Other			
26 Salaries/Commissions (less employee withholding)			
27 Management Fees			
28 Taxes:			
28 Employee Withholding			
29 Employer Payroll Taxes			
30 Real Property Taxes			
31 Other Taxes			
32 Other Cash Outflows:			
33 Extension Fees Collected on Behalf of Commercial Mortgage			\$182,550
34			
35			
36			
37			
38 Total Cash Disbursements:		\$0	\$183,140
39 Net Increase (Decrease) in Cash		\$10,932,091	\$95,409,279
40 Cash Balance, Beginning of Period		\$93,530,605	\$9,053,417
41 Cash Balance, End of Period		\$104,462,696	\$104,462,696

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 07/31/06

		Actual <u>Current Month</u>	Cumulative <u>(Case to Date)</u>
	Cash Flows From Operating Activities		
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received	\$262,098	\$348,112
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		\$590
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Cash Received - See Attachment A	(\$10,669,993)	(\$95,244,307)
22	Extension Fees Collected on Behalf of Commercial Mortgage		\$182,550
23			
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$10,932,091	\$95,409,279
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U S Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$10,932,091	\$95,409,279
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$10,932,091	\$95,409,279
45	Cash and Cash Equivalents at Beginning of Month	\$93,530,605	\$9,053,417
46	Cash and Cash Equivalents at End of Month	\$104,462,696	\$104,462,696

USA Commercial Mortgage Company - Collections Account
Attachment A
July 1, 2006 - July 31, 2006

Borrowers	Receipts
5055 Collwood, LLC	\$ 136,050.97
60th Street Venture, LLC	57,949.30
Bay Pompano Beach	230,994.77
Bundy Canyon \$5,000,000	29,895.19
Cloudbreak LV	39,583.33
ComVest Capital	4,275.11
Fiesta/Beaumont \$2.4m	2,442,499.93
Fiesta Murrieta	70,416.67
Fiesta Development \$6.6	71,500.00
I-40 Gateway West, LLC 2nd	43,073.33
Interstate Commerce Center	737,079.48
Midvale Marketplace, LLC	4,441,232.33
Oak Shores II	69,360.60
Ocean Atlantic	33,750.00
Preserve at Galleria, LLC	120,000.00
Roam Development Group	1,982,396.72
Standard Property Development	4,900.89
SVRB \$4,500,000	14,834.18
SVRB 2nd \$2,325,000	31,000.00
The Gardens Timeshare	109,200.00
Total Receipts	\$ 10,669,992.80

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 07/31/06

		Actual <u>Current Month</u>	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Return of Funds from Title Company		
8			
9			
10			
11			
12	Total Cash Receipts	<u>\$0</u>	<u>\$8,900,947</u>
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
19	Rent/Lease:		
20	Personal Property		
21	Real Property		
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries		
24	Draws		
25	Commissions/Royalties		
26	Expense Reimbursements		
27	Other		
28	Salaries/Commissions (less employee withholding)		
29	Management Fees		
30	Taxes:		
31	Employee Withholding		
32	Employer Payroll Taxes		
33	Real Property Taxes		
34	Other Taxes		
35	Other Cash Outflows:		
36	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
37	Principal Payments to Investors		\$8,900,000
38	Total Cash Disbursements:	<u>\$0</u>	<u>\$9,000,000</u>
39	Net Increase (Decrease) in Cash	<u>\$0</u>	<u>(\$99,053)</u>
40	Cash Balance, Beginning of Period	<u>\$1,877,080</u>	<u>\$1,976,133</u>
41	Cash Balance, End of Period	<u>\$1,877,080</u>	<u>\$1,877,080</u>

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 07/31/06

		Actual Current Month	Cumulative (Case to Date)
	Cash Flows From Operating Activities		
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received		\$947
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
22	Return of Funds from Title Company		(\$8,900,000)
23	Principal Payments to Investors		\$8,900,000
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	(\$99,053)
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U S Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	(\$99,053)
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$0	(\$99,053)
45	Cash and Cash Equivalents at Beginning of Month	\$1,877,080	\$1,976,133
46	Cash and Cash Equivalents at End of Month	\$1,877,080	\$1,877,080

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank